

December 23, 2005

Maine Milk Commission Special Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the December 23, 2005 meeting were distributed to Commission members, intervenors and other interested parties November 18, 2005 and sent to the Secretary of State's Office for posting on 12/6/05.

Commission Present: Chair, Michael Wiers, Colon Durrell, Katherine O. Musgrave and Shelley Doak.

Commission Absent: John Joseph Jr.

Department Officials: None

Staff Present: Stanley Millay, Executive Director, and Carol Gauthier clerical assistant

Legal Counsel: Lucinda White, Assistant Attorney General not present.

Intervenors Present: John Blake, H.P. Hood, Inc., John Sawyer, Oakhurst Dairy

Others Present: Fred Hardy, Dale Cole, and Julie-Marie Bickford from the Maine Dairy Industry Association (MDIA), Lisa Bragg from the University of Maine and Amie Joseph from Maine Grocers Association.

Meeting called to order at 1:30 P.M. by chair, Michael Wiers.

Agenda Item 1: Minutes: Shelley Doak made a motion to accept the minutes of the November 18, 2005 meeting. Colon Durrell seconded. Motion passed 3-0.

Agenda Item 2: Lucinda White, Assistant Attorney General: No report.

Agenda Item 3: Minimum Prices: The prevailing premium is \$1.10 for January 2006 reported by Dairy Marketing Services and Agri-Mark Cooperative.

Shelley Doak made a motion to accept Schedule 01-06 as presented. Colon Durrell seconded. Motion passed 3-0.

Minimum milk prices adopted include the Federal Order Class I price for January 2006 of \$16.63 plus a processor assessment of \$0.20/cwt. plus a Cost of Production Margin of \$0.89/cwt., plus a handling fee of \$0.93/cwt.

There is a Farm Bill Counter Cyclical Payment (MILC) for January 2006 of \$0.1054. Congress has reauthorized the MILC program at a reduced rate: (34% of \$16.94 minus the Class I Price).

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for December 2005 which included prices for Augusta and Bangor.

Agenda Item 5: Next Scheduled Meetings:

- January 6, 2006, Friday 10:00 a.m. Public Hearing on Producer Margins Rule 26
Room 319, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- January 10, 2006, 10:00 a.m. Tuesday, Agricultural Trade Show, Augusta Civic Center
Augusta, Maine
- January 20, 2006, Friday 2:00 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- February 17, 2006, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- March 17, 2006, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission Reviewed income and expenditures.
2. **Producer Margins:**

Lisa Bragg presented a progress report on the cost of milk production in Maine and provided increased cost of production levels due to fuel for three different farm sizes in Maine. These increases are for the cost of fuel only and do not include additional costs of electricity, transportation surcharges or fuel cost adjustments by milk haulers.

At the November 18 meeting, the Commission voted to recognize the short-run breakeven (SRBE) cost of production for the three different farm sizes identified and further moved that the production range for the first level, Small Farm with a SRBE of \$16.93, be from 0 to 21,355 hundredweights, second level, Medium Farm with a SRBE of \$14.79, be from 21,356 to 49,079 hundredweights and the Large Farm category be over 49,079 hundredweights at \$14.13.

Increased fuel costs impact the above numbers by adding 19 cents/cwt. to the small farm category, 18 cents/cwt. to the medium farm category and 15 cents /cwt. to the large farm category. This information will be presented to the Commission at the public hearing on cost of production on January 6.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session

Meeting Adjourned: 1:45 PM

Stanley Millay, Executive Director, Maine Milk Commission.